

John M. Alexander, Jr. of Cardinal International Trucks, Inc. in Raleigh, North Carolina, recipient of the ATD/Heavy Duty Trucking Dealer of the Year Award honoring his outstanding leadership within the truck industry and the community. Mr. Alexander's accomplishment is particularly exceptional because his father, John Alexander, Sr., won the NADA/Time Magazine Dealer of the Year Award in 1968.

John Alexander started working sorting parts in his father's dealership when he was twelve years old. During ensuing years, he worked in various departments of the family business, climbing up the company climber. In 1981, he became the new President and General Manager of Cardinal International Trucks. In addition to running his dealership, he also holds the position of secretary/treasurer of the UD National Dealer Council and serves as a "grassroots lobbyist" for the North Carolina Automobile Dealers Association.

John Alexander, Jr. is not only active in the truck industry, but he is also very active in his community. When Mr. Alexander is not at work he can be found raising funds for schools and local charities. His efforts helped supply Lacy Elementary School with their first computer lab. He has also shown his dedication to maintaining a strong relationship between fathers and schools by co-founding a program called the "Dad's Lunch Bunch," which also allows him time to spend with his daughters, Mary Carroll who is sixteen and Catherine McKnitt who is fourteen.

I commend Mr. Alexander for his hard work in both the Raleigh community and the truck industry. I encourage my colleagues to read the following article announcing his important work and achievement:

1998 DEALER OF THE YEAR JOHN ALEXANDER, JR.

Alexander's first job in his father's dealership was counting parts at age 12. From there he worked his way through virtually every department—service, parts, administration and sales—until becoming president and general manager in 1981.

He has been an active participant in numerous industry activities. He is secretary/treasurer of the UD National Dealer Council, a "grass roots lobbyist" for the North Carolina Automobile Dealers Assn. and serves on the technical training committee of North Carolina Industries for Technical Education.

In his community he's a tireless fund-raiser for charitable organizations and the local schools. Largely due to his efforts, one local elementary school was the first in the county to get a computer lab and computers in each classroom. He co-founded the "Dad's Lunch Bunch," a program aimed at getting fathers more involved in the schools, and is spearheading a drive to update computer technology in a local school.

HONORING THE RETIREMENT OF ROBERT JONES

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. CONDIT. Mr. Speaker, I rise today to honor the hard work and exemplary career of local industrial giant from my district in California's great Central Valley.

Robert Jones recently announced his retirement after an extraordinary career of 47 years

with N.I. Industries, Inc. With the exception of only 7 months, Bob's entire career, which began in 1952, has been in manufacturing ammunition metal products. The last 25 years of his career have been in a managerial capacity. Without question, Bob's career significantly contributed to our ability to win the cold war.

Mr. Speaker, I am very proud to take a moment to reflect on Bob's career. He has proven that a young man with a willingness to work who takes responsibility for his actions can succeed and achieve the American dream. His is a story of hard work and success.

Bob ends his career at the highest level of management in his company. During his most recent position as general manager of the Riverbank Army Ammunition Plant, since 1988 he has implemented an ambitious, yet highly successful, environmental program which was recognized last year by the Department of Defense as the Nation's leader in industrial environmental remediation.

He also implemented a highly successful Armament Retooling and Manufacturing program to transform an idle manufacturing facility into inspired reuse—providing for more than a 300-percent increase in the local work force. His efforts have resulted in annual reductions in the operating budget by more than 50 percent.

Finally, Bob was instrumental in the development of the West Coast Deep Drawn Cartridge Case Facility at Riverbank to help continue to meet our Nation's munitions needs. His management skills have proven that we are indeed losing a true industrial giant.

Mr. Speaker, Bob reflects great credit on the dedication to the many men and women at the Riverbank Army Ammunition Plant and the entire 18th Congressional District.

I would like to extend my heartiest congratulations to Bob and his wife, Pat. I wish him health and happiness in his retirement years and hope he gets to enjoy the company of his three children and grandchildren. I ask that my colleagues rise with me in honoring Robert Jones in his retirement.

INTRODUCTION OF THE NATIONAL MATERIALS CORRIDOR PART- NERSHIP ACT OF 1999

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. BROWN of California. Mr. Speaker, today I want to introduce the National Materials Corridor Partnership Act of 1999. I am joined by Mr. BINGAMAN who will be introducing the same legislation in the Senate today as well.

Members of the House are aware of my long-standing interest in improving scientific and technological cooperation between the United States and Mexico. The purpose of this bill is to promote joint research in materials science between research institutions in the border region.

The shared border region between the United States and Mexico has become increasingly important to the economies of both countries. The border region is a center of manufacturing, mining, metal, ceramics, plas-

tics, cement, and petrochemical industries. Materials and materials-related industries are a significant element of the industrial base(s) on both sides of the border, accounting for more than \$7 billion in revenue on the Mexican side alone. In addition, there are more than 800 multinational "maquiladora" industries valued at more than \$1 billion in the San Diego/Tijuana and El Paso/Juarez regions. These materials-related industries, providing tens of thousands of jobs in both countries, are critical to the economic health of the border region. However, these same industries, in conjunction with continued population growth, have placed severe stress on the environment, natural resources and the public health of the region.

More needs to be done to harness the scientific and technical resources on both sides of the border to address these problems. Scientific and technological advances in the development and application of materials and materials processing provide major opportunities for significant improvements in minimizing industrial wastes and pollutants. Similar opportunities exist to eliminate or minimize emissions of global climate change gases and contaminants, to utilize recycled materials for production, and to allow for the more efficient use of energy. Recognizing these opportunities, academic and research institutions in the border region of both countries, together with private sector partners, recently proposed a Materials Corridor Partnership Initiative. This Initiative proposes joint collaborative efforts by more than 40 institutions to develop and promote the usage of clean eco-friendly and energy efficient sustainable materials technology in the border region. Organizations involved in the Material Corridor Partnerships Initiative include pre-eminent universities and national laboratories located on both sides of the border.

While the Initiative envisions conducting a strong cooperative program between universities and national labs, private sector participation also will be an integral part of its activities. One model for such participation is the Business Council for Sustainable Development (BCSD). In addition to the BCSD model, special industrial outreach programs would be developed to aid industry in problem solving, especially related to materials limitations, environmental protection and energy efficiency. Another important element of the Materials Corridor proposal is the education and training of the next generation of researchers.

Mexican institutions strongly support this initiative and have committed seed money to implement the program among Mexican institutions. I hope that the U.S. Government will also support this proposal. To this end, I am introducing the "National Materials Corridor Partnership Act of 1999. The bill provides, among other things, authorization of \$5 million for each of fiscal year 2000 through 2004 to fund appropriate research and development in support of the Materials Corridor Partnership Initiative. The monies would be used to support joint programs and would leverage support from the private sector in both countries, as well as the Government of Mexico.

I want to commend Senator BINGAMAN for his long-standing interest in improving scientific and technological cooperation between the United States and Mexico. And I look forward to working with him to realize the goals of this legislation.

I urge my colleagues to support this legislation.

INTRODUCTION OF THE FARM SUSTAINABILITY AND ANIMAL FEEDLOT ENFORCEMENT ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, today I introduced legislation to address the most important source of water pollution facing our country—polluted runoff. A major component of polluted runoff in many watersheds is surface and ground water pollution from concentrated animal feeding operations (CAFOs), such as large dairies, cattle feedlots, and hog and poultry farms. Under current Clean Water Act regulations, CAFOs are supposed to have no discharge of pollutants, but as a result of regulatory loopholes and lax enforcement at the state and federal levels, CAFOs are in reality major polluters in many watersheds. My bill, the Farm Sustainability and Animal Feedlot Enforcement (Farm SAFE) Act addresses these deficiencies.

Farm SAFE will require large livestock operations to do their part to reduce water pollution. The bill will lower the size threshold for CAFOs, substantially increasing the number of facilities that will have to contain animal wastes. It will require all CAFOs to obtain and abide by a National Pollution Discharge Elimination System (NPDES) permit. The bill improves water quality monitoring, recordkeeping and reporting so that the public knows which CAFOs are polluting. Farm SAFE addresses loopholes in the current regulatory program by requiring CAFOs to adopt procedures to eliminate both surface and ground water pollution resulting from the storage and disposal of animal waste. The bill directs EPA, working with USDA, to develop binding limits on the amount of animal waste that can be applied to land as fertilizer based on crop nutrient requirements. In addition, the bill makes the owners of animals raised at large facilities liable on a pro rated basis for pollution caused by those facilities.

Water quality in California's San Joaquin Valley has been degraded by unregulated discharges of waste from dairy farms. Contaminants associated with animal waste have also been linked to the outbreak of *Pfiesteria* in Maryland and the death of more than 100 people from infection by cryptosporidium in Milwaukee. Although considered point sources of pollution under the Clean Water Act, until recently little has been done at the federal or state levels to control water pollution from CAFOs.

In recent years, many family farms have been squeezed out by large, well capitalized factory farms. Even though there are far fewer livestock and poultry farms today than there were twenty years ago, animal production and the wastes that accompany it have increased dramatically during this period. And although farm animals annually produce 130 times more waste than human beings, its disposal goes virtually unregulated.

I am encouraged by recent efforts by the Department of Agriculture and the Environmental Protection Agency to address pollution

from animal feedlots. Many of the solutions proposed by these agencies, such as comprehensive nutrient management plans for livestock operations and limiting the amount of animal wastes applied to land as fertilizer are nearly identical to some provisions of Farm SAFE. But the Administration's proposal does not go far enough. It lets too many corporate livestock polluters continue to escape compliance with the Clean Water Act by setting the regulatory threshold too high and by not making the owners of animals raised by contract farmers shoulder an appropriate share of the responsibility for water pollution from these operations.

Farm SAFE is very similar to legislation that I introduced last Congress. Although hearings were held in the Agriculture Committee on the issue of animal feedlots, the House took no action on my legislation, nor did the House take any other action to address pollution from animal feedlots. I hope that this Congress does not continue to ignore this growing national problem. The states are beginning to wake up, smell the waste lagoons, and take action. But they need our help in the form of uniform national standards. Much like when Congress stepped in the early 1970s to set uniform national standards for industrial pollution, similar standards are now needed for large point sources of agricultural pollution. Otherwise, the country will become a mosaic of differing levels of environmental protection, with farmers in some states, like North Carolina, disadvantaged by their states commendable aggressive actions to curb pollution from factory farms.

This legislation will restore confidence that we can swim and fish in our streams and rivers without getting sick. It will do much to address our number one remaining water pollution problem—polluted runoff. I hope the House will join me in the effort to clean up factory farm pollution.

SUBCHAPTER S REVISION ACT OF 1999

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. SHAW. Mr. Speaker, today over 2 million businesses pay taxes as S Corporations and the vast majority of these are small businesses. The S Corporation Revision Act of 1999 is targeted to these small businesses by improving their access to capital, preserving family-owned business, and lifting obsolete and burdensome restrictions that unnecessarily impede their growth. It will permit them to grow and compete in the next century.

Even after the relief provided in 1996, S corporations face substantial obstacles and limitations not imposed on other forms of entities. The rules governing S corporations need to be modernized to bring them more on par with partnerships and C corporations. For instance, S corporations are unable to attract the senior equity capital needed for their survival and growth. This bill would remove this obsolete prohibition and also provide that S corporations can attract needed financing through convertible debt.

Additionally, the bill helps preserve family-owned businesses by counting all family mem-

bers as one shareholder for purposes of S corporation eligibility. Under current law, multi-generational family businesses are threatened by the 75 shareholder limit which counts each family member as one shareholder. Also, non-resident aliens would be permitted to be shareholders under rules like those now applicable to partnerships. The bill would eradicate other outmoded provisions, many of which were enacted in 1958.

The following is a detailed discussion of the bill's provisions.

TITLE I—SUBCHAPTER S EXPANSION

Subtitle A—Eligible Shareholders of an S Corporation

SEC. 101. Members of family treated as one shareholder—All family members within seven generations who own stock could elect to be treated as one shareholder. The election would be made available to only one family per corporation, must be made with the consent of all shareholders of the corporation and would remain in effect until terminated. This provision is intended to keep S corporations within families that might span several generations.

SEC. 102. Nonresident aliens—This section would provide the opportunity for aliens to invest in domestic S corporations and S corporations to operate abroad with a foreign shareholder by allowing nonresident aliens (individuals only) to own S corporation stock. Any effectively-connected U.S. income allocable to the nonresident alien would be subject to the withholding rules that currently apply to foreign partners in a partnership.

Subtitle B—Qualification and Eligibility Requirements of S Corporations

SEC. 111. Issuance of preferred stock permitted—An S corporation would be allowed to issue either convertible or plain vanilla preferred stock. Holders of preferred stock would not be treated as shareholders; thus, ineligible shareholders like corporations or partnerships could own preferred stock interests in S corporations. A payment to owners of the preferred stock would be deemed an expense rather than a dividend by the S corporation and would be taxed as ordinary income to the shareholder. Subchapter S corporations would receive the same recapitalization treatment as family-owned C corporations. This provision would afford S corporations and their shareholders badly needed access to senior equity.

SEC. 112. Safe harbor expanded to include convertible debt—An S corporation is not considered to have more than one class of stock if outstanding debt obligations to shareholders meet the 'straight debt' safe harbor. Currently, the safe harbor provides that straight debt cannot be convertible into stock. The legislation would permit a convertibility provision so long as that provision is substantially the same as one that could have been obtained by a person not related to the S corporation or S corporation shareholders.

SEC. 113. Repeal of excessive passive investment income as a termination event: This provision would repeal the current rule that terminates S corporation status for certain corporations that have both subchapter C earnings and profits and that derive more than 25 percent of their gross receipts from passive sources for three consecutive years.

SEC. 114. Repeal passive income capital gain category—The legislation would retain the rule that imposes a tax on those corporations possessing excess net passive investment income, but, to conform to the general treatment of capital gains, it would exclude